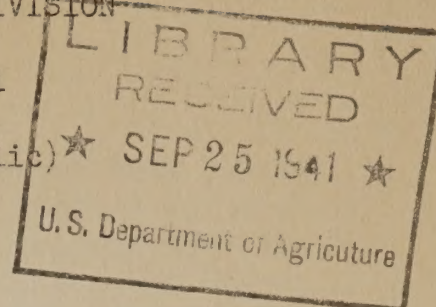


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REPORT OF ACTIVITIES OF THE TENANT PURCHASE DIVISION

FOR THE PERIOD JANUARY 1 TO JULY 31, 1941

(Confidential - Not for release to the public)



I THE STRUGGLE TO KEEP THE RECORD INTACT:

A considerable struggle is represented in the effort to avoid a break in systematically recording developments related to the Tenant Purchase program having administrative or historic significance. The last report covered the period from October 1 to December 31, 1940. This report covers the first seven months of 1941. They have been eventful months, characterized by unusual organizational activity within the entire Farm Security Administration and also by much revamping and trueing up of basic Tenant Purchase policies and procedures. The record of the period needs to be written to furnish an answer to the question "Has the unusual activity led to an equivalent amount of progress and achievement?" An affirmative answer to that question appears to be supported by this factual review.

II LEGISLATIVE DEVELOPMENTS:

1. Maximum TP Authorization for 1941-42:

The act "Making an Appropriation for the Department of Agriculture for the Fiscal Year Ending June 30, 1942," (H.R. 3735) signed by the President on the last day of the 1941 fiscal year, carried an authorization for a fifty million dollar RFC loan to the Secretary of Agriculture for carrying out the purposes of Title I of the Bankhead-Jones Farm Tenant Act. The Act also carried an item of \$2,449,962 for administrative purposes together "with the unexpended balance of the appropriation under this head for the fiscal year 1941." The price limitation amendment was again included, without change from the previous year.

The Agricultural Subcommittees of the Appropriations Committees of the House and Senate had both reported the Tenant Purchase item favorably. The hearings of the Subcommittee on Appropriations of the House of Representatives are recorded on Pages 57-107, inclusive, of Part II of the document entitled "Agricultural Department Appropriation Bill for 1942." The hearings of the Subcommittee of the Committee on Appropriations of the United States Senate are recorded on Pages 476-7 of the Senate Hearings.

III EXPANSION INTO NEW COUNTIES:

Under the policy of keeping the program alive in previously designated counties by making a few additional loans there each year, while adding a limited number of new counties, there has, from the beginning in 1937, been a gradual expansion into new territory.

As a matter of fact, the designation of counties does not rest on any legal authorization. It is an administrative device adopted for the purpose of avoiding over-expansion or "spreading the program too thin." One hundred seventy-three new counties were designated for the fiscal year 1941-42, bringing the cumulative total to 1816. The expansion by years is reflected in the following table:

<u>Year</u>	<u>No. New Counties Designated</u>	<u>Cumulative Total</u>
1937-38	332	332
1938-39	400	732
1939-40	559	1291
1940-41	352	1643
1941-42	173	1816

Two factors combine to make expansion in the Southern States more rapid than in other parts of the country. First, the large farm population and high percent of tenancy gives these states large allotments of money, and, second, the loan per farm averages less than it does in the Northern and Western States. All counties have now been designated in North Carolina, Tennessee, South Carolina and Mississippi and this applies also to Arkansas, Alabama and Louisiana so far as agricultural counties or parishes are concerned. Texas is now pretty well blanketed from the standpoint of TP county designations. In the fourteen Southern States, 1111 out of 1361, or 82% of all of the counties, have been designated. By contrast, in the Far Western States, embracing Arizona, California, Nevada, Utah, Colorado, Montana, Wyoming, Idaho, Oregon, Washington and New Mexico, only 22% of the counties have been designated. The Corn Belt has 62% of the counties designated. In the Northern Great Plains States and in the Central Lake States, designated counties are 35% of the total.

IV THE 1940-41 ENCUMBRANCE RECORD:

History tended to repeat itself in the matter of encumbrance of funds during the year ending June 30, 1941. There was the same strain upon administrative nerves occasioned by the race against time that there has always been. In spite of optimism in practically all of the regions and a record of past performance that appeared to justify the optimism, it appeared, nevertheless, that some of them could not finish the job. For example, as of April 30, 40 per cent of the funds in the United States were yet to be encumbered. Region VI had 60 per cent of its funds unencumbered on that date; Region V, the largest of all TP regions, was just a shade behind the national average. But in the end the unexpended balances of the various regions were relatively inconsequential with the exception of one region which had approximately 20 per cent of its funds remaining unencumbered. This money was pretty evenly distributed between the states in the region.

The encumbrance record by regions is shown in the following table.

AMOUNT AND PER CENT OF TENANT PURCHASE LOAN FUNDS ENCUMBERED
1940-1941

<u>Region</u>	<u>Allotment</u>	<u>Funds Encumbered</u>	<u>Per Cent Encumbered</u>
<u>U. S. Total</u>	<u>\$50,000,000</u>	<u>\$47,984,726</u>	<u>96.0</u>
I	1,616,165	1,336,215	82.7
II	2,398,258	2,394,328	99.8
III	7,175,546	7,135,079	99.4
IV	8,345,943	6,730,745	80.6
V	9,010,331	9,002,962	99.9
VI	7,891,951	7,891,614	100.0
VII	3,212,717	3,200,612	99.6
VIII	6,637,497	6,636,257	100.0
IX	1,047,686	1,038,234	99.1
X	541,435	520,373	96.1
XI	642,122	633,593	98.7
XII	762,022	756,558	99.3
Alaska	2,715	0	00.0
Puerto Rico	715,612	708,156	99.0

V A BETTER START IN 1941-42:

In addition to making a creditable showing in loaning the funds available for 1940-41, the field staff on July 1, 1941, had a better start on the new year than had been made on any previous July 1. This was due to a change in policy initiated at the time of the annual conference of TP chiefs held in March. Under this new policy, the field was instructed to take it for granted that funds would be provided by the Congress for the continuation of the program. On this assumption, applications were to be received and sifted and farms were to be optioned by tentatively approved applicants. Thus, the program for a new year was gotten well under way before the close of an old year. A number of regions had loans ready for approval as soon as 1941-42 funds were available. This is a part of an effort to level off the peak-load of lending activity which imposes such a strain upon the organization.

VI THE 1940-41 COLLECTION RECORD:

As this report is being dictated, the final tabulations are in process on FSA-TP 11B, the official, annual collection report. Preliminary figures indicate that this record will again be a favorable one. It will involve many more borrowers than last year and the maturities will run to much greater sums.

The assumption that a good collection record will materially strengthen the legislative position of the Tenant Purchase program has been amply sustained by legislative history. Supporters of Tenant Purchase appropriations have made effective use of the collection record made to date.

The Tenant Purchase Division still has certain well-defined objectives with respect to collection reports which it hopes may be achieved. First, is the desire to submit a single, official annual report as of June 30 each year which will stand until the succeeding report is issued a year later. The passing of time will make this policy easier to observe. When the program is new and very little collection data is available, demand for information makes it practically necessary to release interim reports. It is hoped that that time is now passed, and that the report as of June 30, 1941, which will show collections against amounts due as of December 31, 1940, will be the only report that it will be necessary to release until our next annual report is forthcoming in July, 1942. Second, is to show collections "against schedule," as well as against billings, and take into account the status of operating loans as well as Tenant Purchase loans. In other words, we want to report the total debt status of the Tenant Purchase borrowers. Otherwise, an apparently good record on Tenant Purchase payments might have its explanation in unpaid rehabilitation loans.

There is a strong probability that the present years are favorable years for the retirement of land debt. Consideration is being given to issuing a letter in September to all regions calling attention to this fact and stressing the importance of getting "ahead of schedule" while conditions are favorable.

VII FIRST FAMILY PROGRESS REPORT READY FOR ISSUE:

Tabulations have been completed on the family progress report for the year ending December 31, 1939, and are well under way for the report ending December 31, 1940.

The first Family Progress Report covers the economic status of TP borrowers who had been on their farms at least one year, as of December 31, 1939. Three thousand nine hundred and sixty-two (3,962) borrowers were reported in that category. The information tabulated by regions shows average age, farming experience, race, and tenure of borrowers, size of family, housing conditions and specified conveniences, economic status, including gross cash income, value of farm-produced goods for family living, net income, and net worth, at time of acceptance. Economic status and housing conditions are also included for the calendar year 1939. The information as tabulated shows changes in net worth, gross cash income, and net income since acceptance, as well as changes in housing conditions on a regional basis, changes in net worth since acceptance by size of loan, and economic status and housing conditions by racial groups and by tenure groups. Regional tables are in mimeographed form, and state and county figures are available from the Washington office upon request.

The 1940 Family Progress Report, which already has been coded on punch cards and now is being tabulated, will be available by September 1. Approximately 9,000 Tenant Purchase borrowers were reported as having been on their farms for one full year by December 31, 1940. This report contains the same information on economic status as the 1939 report, and in

addition shows cash family living expenses and expenditures for capital goods and debt retirement. It also contains information for making an analysis of farm and home management planning, versus performance. Detailed information on housing included in the 1939 report is not included in the 1940 report. The report will be tabulated by states, as well as by regions, in mimeographed form. County information can be obtained by special punch card runs. Information will be tabulated for the same items as in 1939. In addition there will be breakdowns by farming experience, by highest tenure ever reached, and more details on economic status by size of loan groups. Data will be tabulated primarily in frequency distribution, that is, number of borrowers whose net worth falls within certain net worth categories, number of borrowers in ages within 20 to 24 years, 25 to 30 years, etc., both for the year prior to loan and the 1940 calendar year.

VIII ADJUSTING TP ACTIVITIES TO OVER-ALL FSA CALENDARS:

To a limited degree a year ago, and to a greater degree this year, the over-all FSA calendar began to have a determining influence upon time schedules in the respective divisions. In-service training and induction training developed on a systematic basis in 1941. The principal events on the training schedule were as follows:

In-Service Training

1. Administrator's Staff Conference in Chicago, March 18-25.
2. Inter-regional conferences:
 - Edgewater Park - April 29 - May 3.
 - Columbus, Ohio - May 6 - 10.
 - Colorado Springs - May 13 - 17.
3. Schools for Administrative Supervisors - June.
4. Schools for TP Committeemen in July.
5. Schools for FSA Council members - July.
6. Schools for FDA Committeemen - July.
7. The August-September Series of District Conferences of County Supervisors to be devoted to plans for carrying out community and cooperative services objectives.
8. The August-September Series of District conferences of county supervisors to be devoted to carrying out the objectives of debt adjustment and land tenure.
9. The October-November Series of District meetings of county supervisors to be devoted to carrying out farm and home management objectives.

Induction Training

1. An induction training course for new clerk-typists held in July.
2. An induction training course for new county supervisors to be held in October.

Taken collectively, this series of events represents a noteworthy effort to mobilize the entire Farm Security personnel for coordinated and concerted effort.

IX ADMINISTRATOR'S STAFF CONFERENCE IN CHICAGO:

The 1941 FSA mobilization effort had its logical beginning at the Administrator's staff conference in Chicago March 18-25. It was attended by the Administrator, Assistant Administrators, Division heads from Washington, Regional Directors, and Assistant Regional Directors from the respective regions. Objectives were crystallized along four lines:

1. Expanding and vitalizing community and cooperative services.
2. Expanding and vitalizing land tenure and debt adjustment objectives
3. Strengthening the underlying foundations of the program through better farm and home management planning and supervision.
4. Revamping and revitalizing the state and county committee set-up.

With this schedule well along the way toward completion, it is possible now to state that the process of lining up the field for concerted action is working, and that the respective divisions, as well as the organization as a whole, are benefiting.

X THE ANNUAL TP CONFERENCE:

In the past, the annual conference of Tenant Purchase Chiefs has been held during the first few days of the new fiscal year. This year it was moved forward and held March 10-15, just in advance of the Administrator's staff meeting in Chicago. This proved to be an advantageous change. First of all, it led to a clarification of Tenant Purchase problems and placed the Tenant Purchase Division in a state of preparedness for participation in the Administrator's staff conference and succeeding events. The "Journal of Proceedings of the Annual Tenant Purchase Conference," which has been mimeographed and distributed to persons concerned within the organization, contains a sufficient record of the conference conclusions and recommendations. Attention is directed particularly to the conference summary appearing on Pages 22 to 25, inclusive, of the Conference Journal. The importance of the Journal itself as a feature of conference technique is worthy of mention. Frequently what a conference accomplishes survives only in the fleeting memory of the participants. The day-by-day development of a Journal as the conference progressed is in itself a profitable undertaking. In other words, when the conference attempts to express its conclusions in written statements, it must do some straight thinking. The record is then available for future reference. The Tenant Purchase Division is working persistently in an effort to carry out conference recommendations recorded in the Journal. In the absence of the Journal many of the recommendations would have been forgotten.

XI TP PARTICIPATION IN INTER-REGIONAL CONFERENCES:

When the decision was being made as to who should attend the inter-regional conferences, there was some question as to whether or not Tenant Purchase chiefs should be included on the list. When it became evident that decisions were to be rendered and calendars were to be developed at inter-regional conferences by which the entire organization would be governed,

it became increasingly clear that Tenant Purchase chiefs should participate. That conclusion was well borne out by subsequent events. Not only is the Tenant Purchase Division influenced by the general FSA calendar, but it naturally has contributions to make to that calendar. Calendar schedules can work out successfully only when all interested parties have a hand in their development.

The inter-regional conferences, in addition to their over-all coordinating value, brought the Washington, regional and state TP personnel together for a highly profitable exchange of views. The reports of the TP Section placed special emphasis upon selecting, training and using state and county committees, long-time land tenure objectives, and directing farm and home management effort toward correcting the present deficiencies in that field. They outlined matters related to Tenant Purchase which should be taken up at regional conferences, district conferences and training schools.

XII SCHOOLS FOR ADMINISTRATIVE SUPERVISORS:

Informal checking in the field by representatives of the Washington TP Division led to the disclosure that administrative supervisors were not, in general, conversant with Tenant Purchase procedure. As a result, this important branch of our service upon which we are largely dependent in the matter of efficient routine in county offices was not prepared to discharge its obligations in the field of Tenant Purchase. The schools for administrative supervisors provided an opportunity for starting corrective measures. Robert Thomas of the Washington TP staff served as a member of the committee which set up the training program for administrative supervisors, and Mr. Thomas and Mr. Andrews participated as members of the instructional staffs at the respective schools. It is assumed that this training will result in proper instruction in TP procedure being given at the clerk-typists schools.

The Tenant Purchase Division assumes full responsibility for whatever lack of TP information has existed among Administrative Supervisors in the past. The Division expects to follow up on the start that has been made and is prepared to cooperate with administrative service units in the respective regions in carrying on the continuous educational program for the benefit of administrative supervisors.

XIII SIGNIFICANT CHANGES IN FSA COMMITTEE POLICIES AND SET-UP:

The Farm Security Administration has now clarified its policy with respect to state and county councils and county committees. Both state and county committees came into being at the very beginning of rehabilitation activities under FERA in 1934. State committees were quite active in the early days. For a time, state committee approval of rehabilitation plans was required by administrative officials in Washington, but with the advent of rehabilitation corporation boards, the functions of state advisory committees were gradually absorbed and state committees largely passed out of existence until they were revived in 1937 after the passage

of the Bankhead-Jones Farm Tenant Act. County RR, County FDA and County TP Committees have been proceeding rather independently, although there has been administrative sanction for consolidating RR and TP functions in a single committee. RR committees have received neither compensation, nor reimbursement for expenses. Debt Adjustment Committees have received reimbursement only. TP committees have received both compensation and reimbursement.

An effort was made to bring uniformity into the county committee set-up at the time of the RR Conference at the Wardman Park in September, 1939, but the proposal made at that time did not appear to be workable. The general basis for a coordinated system of county councils and committees was developed at the Administrator's Staff Conference in Chicago. However, much labor was required to perfect the details finally embodied in FSA Instructions 403.1 and 403.2. Prior to the issuance of these new instructions, policies and procedures on state and county committees were issued under the Tenant Purchase "600" series of instructions. The significant changes in the committee set-up affecting Tenant Purchase are the following:

1. County committee appointments heretofore made by the Secretary of Agriculture, are now made by state directors, with the approval of regional directors.
2. Endorsement of county nominees by state advisory committees is now dispensed with and state committees have been advised by the Administrator of the change and the reasons therefor. (See letter dated May 14, 1941.)
3. All committeemen are to be paid uniformly - \$4.50 a day. As a technical legal matter, TP committees will receive \$3.00 for compensation and \$1.50 for reimbursement, but from a practical standpoint there is no longer any difference in the pay received by persons serving on either RR, FDA or TP committees. Council members-at-large are not eligible for compensation except FSA clients who may be appointed to this position.
4. The school system of training TP committees has been adopted for FDA and council members.
5. With the inauguration of this new policy, a considerable task performed by the Tenant Purchase Division, namely, the clearance of county committee appointments through the Office of the Secretary, is now decentralized and passed to the field.

XIV THE 1941 TP SCHOOLS FOR COUNTY COMMITTEEMEN:

Under the new council and committee set-up, schools for councilmen logically should precede the schools for the respective committees. However, since it was highly important that the Tenant Purchase program be inaugurated in the 173 new counties just as soon as possible after July 1,

and since the program could not start until committeemen had been trained, and since it is desirable to mingle new committeemen with old committeemen at committee schools, it was mutually agreed that the TP series of schools would be held first. This report is written after the schools have been concluded. The results of the schools are covered in TP Divisional Letter No. 16, issued under the date of August 6, 1941. As stated in that letter, the "stage was set for a high degree of teamwork in executing the objectives agreed upon" at Chicago and at the inter-regional conferences. As the letter further states, "there was an encouraging adherence to the above objectives in all meetings observed but the methods employed in achieving them ranged all the way from a full-day of clear-headed thinking on the one hand, to a parade of speeches by FSA staff members on the other." However, the results of five years of committee training are evident, and committeemen now manifest an understanding of the program and its objectives, which is most encouraging and reassuring.

XV COMPLETION AND INTRODUCTION OF "THE INFORMAL AGREEMENT":

It was at the conference of the TP chiefs a year ago that the suggestion was made that an informal agreement be developed in language that borrowers could readily understand as one means of checking some unfavorable developments that had begun to manifest themselves in the Tenant Purchase program. These unfavorable developments were, leasing outside land, operating with sharecroppers, failing to keep records, diverting improvement funds to unauthorized uses, abandoning farms and stating that the farm had been forced upon the borrower, or that the improvements were inadequate or more than adequate, etc.

The principal point to record with reference to the Informal Agreement is the manner in which it was evolved. Drafts of the Agreement prepared in the TP Division were submitted to State FSA Advisory Committees with the understanding that they would be put into effect in those states in which State Advisory Committees considered such action desirable. This gave rise to highly valuable discussions of fundamental Tenant Purchase objectives by all of the State Advisory Committees. All states but New York approved the Agreement. Suggestions were received for modifications from various sources and, to the extent possible, the suggestions were incorporated in the final draft.

Reception of the Agreement in the field has been good. It is regarded as a highly useful educational device. It is too early to predict its effect but it proved to be useful at this season's schools for county committeemen and it has already served a good purpose at meetings of tentatively approved borrowers.

XVI MODIFICATION OF THE VARIABLE PAYMENT FEATURE:

Under the original policy which left the borrower free to choose between the fixed and variable payment plan, it became apparent that many borrowers would resort to the variable payment plan only in time of trouble,

thus preventing the system from working both ways. Experience also indicated that it was difficult to convey to the borrower through the supervisor, a correct understanding of the advantages of the variable payment plan. Accordingly, after two years of study and discussion, it was agreed that all new borrowers after July 1, 1941, should come in under the variable payment plan. Old borrowers who have elected the fixed payment plan are permitted to continue under the plan. Greater stress is to be placed upon getting ahead of schedule and less reliance upon precise formulae in achieving that end. The new policies are incorporated in FSA Instruction 658.1. For the reassurance of borrowers, the preamble to the instruction states, "In carrying out the provisions of a variable payment plan, it is not the intention of the FSA to deprive any borrower of the privilege of utilizing the full 40-year period allowed by the Bankhead-Jones Farm Tenant Act to retire his debt. On the contrary, the aim is merely to assist the borrower in creating a margin of safety to protect his loan at all times against delinquency."

XVII DEFERMENT OF PRINCIPAL AND INTEREST AUTHORIZED UNDER CERTAIN CONDITIONS:

FSA Instruction 658.1 also authorizes for the first time a one or two-year deferment of principal and interest payments when for specified reasons a year or two will be required to bring the farm up to its normal earning capacity. This policy was inaugurated to meet a rather pressing demand. While the special conditions justifying such a policy were recognized, it was felt that there would be danger of abuse of the authorization and that there would be a tendency to extend the provision too widely and generally. Accordingly, great pains were taken to surround the policy with protective safeguards. What the outcome will be only the future can tell.

XVIII CHANGES IN FARM AND HOME MANAGEMENT PLANNING PROCEDURE:

The 1941 series of annual meetings of Tenant Purchase borrowers served to further emphasize the need for certain fundamental changes in the farm and home management procedure. First and foremost was the need to make the farm and home management plans something more than a scrap of paper, to be disregarded at will by borrowers in carrying out their financial and managerial transactions. Certain bad habits have grown up in the organization that were universally recognized. To too great an extent plans have been made "for borrowers." Also to too great an extent they have been made for the purpose of getting loans through the Loan and Collection Office. Mechanics and the paper work of planning have become substitutes for good farm management practices and good home management practices on the farm and in the homes of borrowers.

With some of these facts in mind, the Tenant Purchase Division worked out certain remedies and submitted them for the consideration of the Administrator's Staff Conference in Chicago. Subsequently, they were presented at the Inter-regional conferences and discussed in joint sessions of farm and home management and TP personnel. Finally, carefully worked out procedures embodying the changes were incorporated in FSA Instruction 623.1.

In the perfecting of this document, the Tenant Purchase Division had the assistance of Mr. Allbaugh's staff and Miss Ogle's staff.

In Instruction 623.1, we have the text book material by which county supervisors and others may be trained in TP farm management procedure. A cardinal feature of the new procedure is that new borrowers will go as far as they can in developing their own plans and will then be given assistance in perfecting their plans. It is hoped that this innovation will have the desired psychological effect.

XIX STRAIGHTENING OUT THE STATISTICAL TANGLE WITH REFERENCE TO APPLICATIONS AND MODIFYING POLICY WITH RESPECT TO NOTIFYING APPLICANTS OF COMMITTEE ACTION:

A policy that worked all right for a year or two with respect to handling applications for TP loans began to break down badly as time went on. For example, it was appropriate to tell a borrower once that it had been impossible to approve his loan because the number of applications exceeded the funds available, but the receipt of three or four such letters became annoying. Furthermore, a decision had to be reached as to how long an application should be considered active. Other factors entered into the need for a revision of policy. A good many indiscretions had been committed by supervisors in telling applicants that they "were too old to receive a TP loan." Some recipients of such letters wrote to their Congressmen; their Congressmen wrote to the Farm Security Administration, and the Farm Security Administration advised the Congressmen that there was no fixed age limit. Thus a circuit was completed that reflected no credit upon the Farm Security Administration. The new policy designed to meet these various problems is incorporated in FSA Instruction 616.1, Revised 6-5-41. Under this policy borrowers are no longer notified of rejection of applications.

Their applications are acknowledged and they are advised that they will be informed if and when favorable action is taken. An application received one year is regarded as active during the balance of that year and the entire succeeding year. Thereafter it must be renewed and brought up to date to receive further consideration.

XX PROGRESS IN DEVELOPING TP FEATURE OF AREA GUIDE SERVICE IN COUNTY OFFICES:

The report for the period October 1 to December 31, 1940, made reference to the start toward substituting TP area guide card for TP Forms 8A and 8B. The slow and painstaking process of evolving the card under field tests has gone forward since the last report was submitted. The preliminary tests were made in Region VI with the full cooperation of the Region VI staff. Forms and instructions were perfected and distributed to the various regions for suggestions; sample cards and tentative instructions were issued for use at clerk-typists schools (the TP area guide had been previously explained at the Administrative Supervisors' Schools). The procedure has now been approved and released to the field. Some latitude

has been extended to the respective regions in developing the details of the TP Area Guide card. The proposed innovations from the standard have, however, been approved in Washington.

While this development is referred to as the "Introduction of the TP Card Into the Area Guide," in reality much more is involved than that. The reporting procedure, for example, is involved, and there are certain correlations between the county record system and the Kardex system in the regional office. In other words, the expression "Introduction of the TP Area Guide Card" is merely a brief way of referring to a "trueing up" of routine procedure in county offices and to some extent in regional offices.

XXI MOVE TO ENLIST AID OF VOCATIONAL TEACHERS IN INSTRUCTING FSA BORROWERS IN KEEPING AND SUMMARIZING FSA RECORD BOOKS:

Back in 1934 in the early days of Rural Rehabilitation there were conferences between Rural Rehabilitation officials and a National committee representing Vocational Agricultural teachers, relative to possible cooperation between Vocational teachers and Rehabilitation personnel. A Memorandum of Understanding was developed and signed, and in this memorandum emphasis was placed on the opportunities available to Vocational teachers for teaching record book keeping to Rehabilitation clients. This move proved to be premature. There was not a considerable number of Rehabilitation borrowers at that time and nothing came of this early effort. However, since there are about 9,000 vocational agricultural teachers qualified to teach record keeping, and at least two or three hundred thousand FSA borrowers and clients who need to be taught record keeping, it appears that there exists a basis for profitable cooperation. Shortly after the appointment of W. T. Spanton as Chief of the Agricultural Education Service of the U. S. Office of Education, the subject of cooperation was broached. At a luncheon on April 23, attended by Dr. Spanton, Administrator Baldwin, Assistant Administrator Hudgens, James Maddox, Mason Barr, Wilford Johns and the writer, the subject was pursued further. Under the date of June 18, the Administrator addressed a letter to Dr. Spanton requesting cooperation of vocational teachers in providing FSA borrowers and clients in instruction of record book keeping and record summarization. Under the date of June 23, Dr. Spanton replied to Mr. Baldwin's letter and designated Mr. James H. Pearson, a member of his staff, to cooperate with designated representatives of the FSA to work out the details of cooperation. The Director of the Tenant Purchase Division worked with Mr. Pearson in the preparation of a project entitled, "Instruction in Farm and Home Record Keeping for Low-Income Farm Families in the United States." This project has been distributed to the administrative staff in Farm Security and to the chiefs of the Farm and Home Management Sections for comment and suggestion. A set of lesson outlines to be followed by vocational teachers is required to complete the material. It is hoped that a plan of cooperation can be perfected within the near future, and you will be informed of its progress at a later date.

XXII NEED FOR SYSTEMATIZING AND DECENTRALIZING TRANSFER AND FORECLOSURE PROCEDURE:

For many months the bulk of TP correspondence has dealt with transfer and foreclosure cases. The percentage of such cases in relation to the total number of loans is not great but the task of handling these cases in Washington is burdensome and at variance with the principle of operating on a highly decentralized basis. It can hardly be said that transferring a farm to a new borrower is a more important transaction than making an initial loan. Authority has been delegated to regional offices to make the original loan and except for authorizing financial loss in transfer transactions and foreclosures involving court action, it is proposed that transfer and foreclosure approval be similarly delegated to the field. However, this cannot be done until the field is fully ready to assume and discharge the responsibility. It rests with the Washington TP staff to initiate the procedure. The liberal help of the Solicitor's staff will be required.

This problem looms so large that the Tenant Purchase Division has recommended the appointment of an additional Assistant Director of the Division, who, in addition to general duties, will assume special responsibilities in relation to transfer and foreclosure cases, and the management and disposition of repossessed farms. Control will not be exercised from Washington but procedure will be developed here and aid will be given regional offices in handling this phase of the TP program.

XXIII LONG-TIME LAND TENURE OBJECTIVES:

The last report of this Division recorded a "rising tide of interest in the long-time land tenure objectives in the United States." This subject was included on the docket of the Administrator's Staff Conference in Chicago, and a tentative draft of long-time land tenure objectives was made the subject of a half-day's enlightening discussion. Following that discussion, the statement on land tenure objectives was modified and included in the material carried to the inter-regional conferences. The crowded nature of the agenda at inter-regional conferences prevented extended discussion before the general sessions, although the subject was before the Columbus inter-regional conference. It was the subject of a session of the TP section at Colorado Springs, attended by Milton Eisenhower, Land Use Coordinator in the Department of Agriculture. Mr. Eisenhower stated that the objectives were in general accord with a report on the same subject recently submitted to and approved by the Secretary of Agriculture. The Director of the Division submitted an article on long-time land tenure objectives for the July issue of the Land Policy Review, and it is proposed that this subject be brought before both state advisory committees and county councils as one step toward developing a better understanding of the issues involved.

XXIV THE RESULT OF THE SURVEY ON THE EFFECT OF THE PRICE LIMITATION AMENDMENT:

The last report of this Division recorded the fact that "County Land-Use Planning Committees had been requested to report upon the cost of family-type farms and trends and cost of such units." A similar request was submitted to Tenant Purchase Committees. Reports covering 1240 designated counties were received from either Land-Use Planning Committees or Tenant Purchase Committees or both. Seven hundred and forty Committees, or 60 per cent of the whole, reported that family-type farms could be purchased and improved at a cost within the price limitation amendment. In 158 counties, the cost of purchasing and improving a family-type farm exceeded the price limitation amendment by \$500 or less. Granting that Land-Use Planning Committees and Tenant Purchase Committees are well informed on what it is necessary to pay for a family-type farm and improve it, and that a ceiling \$500 below the committees' estimates does not represent a serious handicap, it follows that according to the judgment of the committees no problem is created by the price limitation amendment in 898 out of 1240 counties or 72 per cent of them.

In 133 counties, however, committees estimate that it will cost from \$500 to \$1000 more to buy a family-type farm than can be paid under the price limitation amendment. In 91 counties it will cost \$1000 to \$1500 more; in 54 counties from \$1500 to \$2000 more; in 38 counties from \$2000 to \$3000 more; in 26 counties the limit is \$3000 under what the committees consider essential. The reports of the Committees are very much in line with experience in the operation of the program.

XXV DEVELOPMENTS IN PUERTO RICO:

In the month of March, a small group of Government officials, including Assistant Administrator Mitchell, accompanied Dr. Rexford Guy Tugwell on a mission to Puerto Rico to study the operations of the 500-acre land limitation act. Upon his return, Assistant Administrator Mitchell, at the request of the Administrator for advice, recommended the development of a rehabilitation program in Puerto Rico and the establishment of a regional office setup to have general jurisdiction over all phases of FSA work in Puerto Rico and possibly the Virgin Islands. That recommendation was approved by the Administrator and rapid progress has been made toward inaugurating the expanded program and recruiting the necessary staff. Jose M. Garcia, who has been in charge of the TP program in Puerto Rico, under the general administrative direction of Extension Director A. Rodriguez Geigel, has been made Assistant Director in charge of both Tenant Purchase and Rehabilitation.

During the past year, Mr. Garcia and his small Tenant Purchase staff have put over the largest and one of the most significant sub-division projects in the history of Tenant Purchase. A 4500-acre plantation has been divided into 130 family-type units. A similar sub-division enterprise is contemplated for the current year. It is the aim of the FSA to effect a coordination between branches of the service in Puerto Rico comparable to that existing in the respective states.

XXVI SELECTING AND TRAINING PROSPECTS FOR JUNIOR ADMINISTRATIVE POSITIONS:

Recruiting personnel for the new administrative service sections in regional offices focused attention upon the need for persons especially qualified for junior administrative responsibilities. The Administrator included provision in the budget for employing and training some thirty persons possessing qualifications for performing junior administrative functions as distinct from technical functions. The Tenant Purchase Division was authorized to select five of these trainees and the authorization was later raised to six.

Time limitations compelled rather prompt action in negotiating with prospective appointees. However, without going outside the circle of persons known to some member of the TP staff, selections were made and appointments completed prior to July 1. A training program was developed involving two weeks of instruction in organization, relationship, background, history, policies, procedures, etc. This was followed by the assignment of each trainee to a county office for a month. The county office assignment will be general in nature and will be followed by assignment to a regional office for a week. Following the regional office assignment, the trainees will return to the Washington office again and will be given work designed to initiate them into useful service. The names of the trainees and the counties in which they are completing their field assignments are indicated below:

Miss Jane C. Getz	- Robertson Co., Tennessee
Charles L. Stewart, Jr.	- Pope County, Arkansas
Harden B. McGrady	- Taylor County, Texas
Roy Snapp	- Alfalfa County, Oklahoma
Joseph A. Rattigan	- Limestone Co., Alabama
Louis D. Malotky	- Fulton County, Illinois

XXVII RECORD OF FIELD VISITS - MEMBERS OF THE TENANT PURCHASE DIVISION:

Paul V. Maris, Director, visited Region VI on January 4-12; Region V, January 14-17; Region IV, January 21-25; Chicago Conference, March 17-26; Edgewater Park Conference, April 27-May 4; Columbus Conference, May 6-11; Colorado Springs Conference, May 13-17; Tappahannock, Virginia, July 7; Region VIII, July 10-14, Regions III, II, VI and V, July 20-30.

Wilford E. Johns, Assistant Director, attended the Columbus Conference, May 6-11; Colorado Springs Conference, May 13-17; visited Region III, May 19-21; Region VI, July 7-11; Region III, July 12-13.

William T. Stewart, Administrative Officer, visited Region IV, February 5-9; Region II, February 16-19; Region III, February 23-26; Region I, April 3-5.

James D. Pope, Senior Agricultural Economist, visited Region V, January 5-11; Region V, February 25-March 9; Region IV, March 23-April 6; Region V, April 7-8; Region VI, April 9-19; Region VIII, April 20-May 3; Region XII, May 4-15; Region IV, July 8-11; Region V, July 22-August 2.

